Food & Agriculture (1951) Department.

MS. SERIES.

G.O. NO. 899

Dated 3rd May 1951

Passed

Sd/-Dt

[Despatch Abstract.]

Procurement- Paddy & rice - S. Kanara Dt - Claim of the S. K. C. C. W. Stores - Reimbursement of Sales tax on transport Charges Collection - Orders passed.

16726.

To A.S.

Please see the orders in circulation above. A draft order is put up for approval. Finance may see before issue.

Regarding items 3 (a) & 3 (b) ~~and 4~~ on p 30 ante, the Board has been consulted. Relevant extracts may be taken for dealing with these questions separately.

(True Extract)

Ecke/-2.3.

Superintendent.

5/3/51

Extract from the file bearing C No 28160 A/5
notes of Secy during the interview of Shiva Rao with H.M.(Food) on 6.1.51

3. (a), 3 (b), and 4, relating to re-imbursement of sales tax on transport and bonus sur-charge: In these instances it appears sales tax has been collected by the Commercial Tax Department on transport charges and bonus sur charge, on the ground, that these should be treated as part of the price. Mr. Shiva Rao pointed out, that the Stores did not collect sales tax from the retailers or the general public, as no such direction was issued by the Collector, but that the Commercial Tax Department had recovered the taxes due under these items from the Stores. In as much as these are payable by the consumer, his point was, that the loss should be re-imbursed to the co-operative stores either by adjustment from Government, monies with them, or by an appropriate increase on the consumers' price. This seems reasonable.

E

(True Extract)

Ecke/-2.3.

Superintendent.

Copy of letter Ref. No. R.C. 971/45-F, Special, dated 20th November, 1950, from the President, South Kanara Central Cooperative Wholesale Stores Ltd., Mangalore, to the Secretary to Government, Food and Agriculture Department, Fort St. George, Madras.

Sub: Transport charges - 1944-1945 - deficit of Rs. 91,641-12-0 Rejection of claim.

Ref: Government Memorandum No. 28160-A/50-7, dated 7-11-1950.

In theGovernment Memorandum cited, we are informed that "the Government have considered and rejected the claim of the Stores" for Rs. 91,641-12-0 incurred in the movement of foodgrains in 1944-45 and I am requested to remit to Government, without any delay, the balance of Rs. 1,46,385-7-0 as ordered in Government Memo dated 29-7-1950. In this connection, I request a kind reference to para 6 of my letter R.C. 971/45-F Special dated 9-8-1950 and the copy of the E.C. Resolution enclosed with the letter, in which I pressed for specific orders on the claim with reasons, if any, in case the Government should think fit to reject it. It is in reply to this that I am informed in the Government Memorandum cited, that the Government have considered and rejected the claim. It is not disclosed when it was considered and rejected and why. I may kindly be furnished with a copy of the Government Order rejecting the claim and the grounds for the same.

2. The present order that this long-pending claim had been considered already and rejected, takes me completely by surprise. All these years, I had been waiting with patience and hope that the claim will be considered favourably and the information that some time ago it has been considered and rejected, comes as a bolt from the blue, as it operates as a direct hit, almost to a finish of the Stores, since it will result in a net loss of over Rs. 60,000/- for the year ended 30-6-1950. Our hopes of getting justice having been rudely shaken in this manner and as there are other claims which are equally legal, just and proper, pending with Government, amounting in all to nearly Rs. 1 lakh (one lakh), we have naturally felt shocked and shaken to our very roots. The present Memorandum communicating the sad news was placed with all the connected papers before the Executive Committee of our Stores at a special meeting convened yesterday and I herewith submit a copy of the Resolution passed. I respectfully urge that an opportunity should be given to me and my co-Director in the Stores, Sri. S. Narsapaya, B.A.B.L., Advocate to interview the Hon'ble the Minister on this and other pending claims, a list of which is herewith submitted. I shall feel very grateful for a kind intimation of the day, time and place for the interview in Madras, on any day - 2nd or the 7th of December 1950 - if it is inconvenient, some other nearest date.

3. With regard to the direction of Government to remit Rs. 1,46,385-7-0, I submit that Rs. 67,683/- had been adjusted on 28-6-1949 being part of our claim for Rs. 91,641-12-0 and after retaining in our hands the balance of Rs. 23,958-12-0, we have remitted on 6-9-1950, Rs. 54,743-11 Thus we have nothing more in our hands than what is just sufficient to the last annas to re-imburse our claim.

The Executive Committee Resolution, therefore, requests that we may be permitted to retain this, pending result of the personal representation proposed to be made to Government by me and my Colleague.

Yours faithfully,

Encl: 2. (sd) President.

Copy submitted to the Collector of South Kanara, Mangalore.
Copy submitted to the Registrar of Co-operative Societies, Madras.
Copy to the Deputy Registrar of Co-operative Societies, Mangalore.

(True Copy)

THE S.K. CENTRAL CO-OPERATIVE WHOLESALE STORES LTD, MANGALORE.

Dated 20--11--1950.

Extract from the Proceedings of the meeting of the Executive Committee held on 19--11--1950.

Resolution No. 43.

AGENDA

-not P w/p

Memorandum No. 28160-A/50-7, dated 7-11-1950 of the Government of Madras - Food and Agriculture Department rejecting the claim of this Stores for re-imbursement of the loss of Rs. 91,641-12-0 incurred on account of transport charges on internal movement of foodgrains in 1944-45 and List of claims of this Stores pending with the Government and consideration of President's Note proposing the giving up of the Sole agency for Procurement and distribution of foodgrains with effect from 1-1-1951 and giving due Notice thereof to the Collector in view of the attitude of the Government in turning down the claim for Rs. 91,641-12-0 and similar other claims and also in view of the un-economic margin sanctioned by the Government for the procurement and distribution agency resulting in the working of the Stores at a loss.

RESOLUTION.

The Committee after a careful consideration of the whole matter, is in entire agreement with the President's proposal to terminate the agency with effect from 1-1-1951 but, before taking that drastic step, under the compelling force of circumstances confronting the Stores, the Committee considers that a conciliatory approach may be made to Government to get justice in regard to this and other claims pending with Government and also sanction of the additional margin of three pies asked for. The President and Director ~~of~~ Sri. S. Narasappaya are authorised to personally interview the concerned authorities at Government level for the purpose. They are hereby authorised to Notify orally that the agency will be definitely given up unless the conditions set forth above are fulfilled. The remittanc into the Treasury of the balance of Rs. 23,958-12-0 will kept in abeyance pending the result of this special deputatio

** ** ** **

Sd/- M. Shiva Rau,
President.

(True Extract).

Ecke/-2.3. Superintendent.

LIST OF CLAIMS PENDING WITH GOVERNMENT.

No. Amount.	Subject.	Date of Original claim.	Latest Govt. order.	Further action taken by the Stores. Remarks.
3 a)				
3a) 2,468-14-3	Reimbursement of sales tax paid on transport charges collection in 1947-48.		L.Dis.15541-49 d. 6/2/1950 of the Collr. of South Kanara.	Appeal to the Bd. on 25.6.50. The Bd. intimate that the matter is ponding with the Govt.
b) 4000-14-3	Reimbursement of sales tax paid on transport charges collection for the subsequent period upto 30/6/49.	10/9/1949.		
6409.12.6				

B

Copy of Memorandum No. 28160 A/50-16, dated 29--1--1951, from the Secretary to Government, Food and Agriculture Department, Fort St. George, Madras, to the Board of Revenue (Civil Supplies).

Sub: Procurement - Paddy and rice -South Kanara District - Claims of the South Kanara Central Cooperative Wholesale Stores - Re-imbursement of sales tax on transport charges and Bonus surcharge - remarks - called for.

Ref: (i) Letter from the President, South Kanara Central Co-operative Wholesale Stores Ltd., R.C. 971/45-F, dated 20--1--1950.

(ii) From the Board of Revenue (Civil Supplies) Reference 77015 U£/50-12, dated 25--11--1950.

The attention of the Board of Revenue (Civil Supplies) is invited to items 3 (a), 3 (b) and 4 of the list of claims forwarded with the letter of the President, South Kanara Central Cooperative Wholesale Stores cited. In regard to these items, Sri. Shiva Rao, President of the South Kanara Central Cooperative Wholesale Stores who interviewed Honourable Minister (Food) on 6--1--1951 represented that the stores did not collect sales tax from the retailers or the general public as no such direction was issued by the Collector of South Kanara but the commercial Tax Department had recovered the taxes due under these items from the Stores. In as much as these are paya-ble by the consumer, he pointed out that the loss should be re-imbursed to the Cooperative Stores either by adjustment from Government monies with them or by an appropriate increase on the consumers' price. The Board is requested to offer its urgent remarks on the suggestion of the President.

(True Copy)

Ecke/-2.3.

Superintendent.

5/3/51

BOARD OF REVENUE(CIVIL SUPPLIES)
Abstract.

Procurement - Paddy and rice - South Kanara district - Claims of the S.K.C.C.W. Stores - Reimbursement of Sales Tax on transport charges and Bonus surcharge - Remarks - submitted.

- -

Board's Ref. No. 77015/U.5/49-15 CS. dated 5 March 1951.

From

Sri V. S. Hejmadi I.C.S.,
Commissioner of Civil Supplies.

Sri K. Subba Rao B.A.,
Secretary to the Commissioner of Civil Supplies.

Read: Memo No. 28160 A/50-16 Food and Agriculture dated 29-1-51.

The claim of the Stores relates to the following two items namely (1) Reimbursement of Sales tax paid on transport charges collected during 1947-48 and during 1948-49 up to 30-6-49 - Rs.6469-12-6 and (2) Reimbursement of Sales Tax paid on Bonus surcharge collected by the Stores - Rs.25694-13-8. The main ground on which the President of the Stores urges his claim is that the sales tax is ultimately to be passed on to the consumer and that the Stores did not collect the sales tax from the retailers or the general public in the cases covered by these claims as no such direction was issued by the Collector of South Kanara. In consultation with the Commercial Taxes Branch, the Board has reexamined the cases and submits that the argument of the President deserves consideration in view of the fact that the sale price of the foodgrains handled by the Stores, as fixed by the Collector, is inclusive of the sales tax and that without a specific direction the Stores could not collect a further sales tax from retailers or consumers. In view of the unique position of the Stores as the sole procuring agent and wholesaler in the district and in view of the fact that the Government have already allowed another claim of the Stores for the recoupment of the loss on account of extra transport charges, the Board recommends the reimbursement of the sales tax paid by the Stores to Government by suitably raising the consumers' price.

Extract given to A2 for dealing with the question

Copy of Bd's report received in Section on 12/3/51

for Secretary.

To
The Secretary to Government,
Food & Agriculture Department
Madras.

TKS/5.3.

BOARD OF REVENUE (CIVIL SUPPLIES)

Subject.

PROCUREMENT - Paddy and rice - south Kanara district - Claims of the South Kanara Central Co-operative Wholesale Stores - Reimbursement of sales Tax on transport charges and bonus surcharge - Remarks - submitted - Orders - Requested.

27866

From

Board's Ref.No. 77015/U5/49-16(CS)
dated 16.4.1951.

Sri V.S. Hejmadi, I.C.S.,
Commissioner of Civil Supplies.

***

Sri K.S.J.Prakasa Rao, B.A.,
Joint Secretary to the Commissioner of Civil Supplies.

***

Read:-1.Memo No. 28160/A/50-16 Food and Agriculture dated 29.1.51.
2. Board's Ref.No. 77015/U5/49-15 CS dated 5.3.1951.

***

The Board requests to be informed of the orders of the Government, if any, passed on its reference cited.

K. Srinivasan
FOR JOINT SECRETARY.

18/4/51

To the Secretary to the Government,
Food and Agriculture Department,
Fort St. George, Madras.

MRU 17/4/

Food & Agri
A

Sub:- Procurement - Paddy and rice - South Kanara Dt. - Claim of the S.K.C.C.W. Stores Re-imbursement of Salestax on transport charges collection - orders passed.

Ref (1) Govt. Memo No. 28160 A/50-16 F&A D. 29-1-51

(2) From the Bd of Rev(CS) Rlf 7/015 05/29-15 (28 D) 5.3.51.

G.O. Ms 899 Dated: 23.5.51

In the circumstances stated by the Bd of Rev(CS) in its reference second cited, the Govt accept its recommendation that the South Kanara Central Co-op Wholesale Stores Ltd may be permitted to reimburse the Salestax of Rs 6469-12-6 (Rs Six thousand four hundred and Sixty nine annas twelve and pies six only) paid by them on transport charges collections during 1947-48 and during 1948-49 upto 30.6.49 by suitably increasing the wholesale consumers price. The Collector of South Kanara is requested to ensure that the Stores had not already collected the salestax before permitting it to recoup it in the manner stated above. The Bd is also aware that the Stores have been permitted to reimburse a loss of Rs 102359-12-3 plus Salestax of Rs 1549-6-0 and another loss of Rs 91641-12-0 incurred by them towards transport charges by raising the wholesale issue price by 8 annas per measure of rice

2/- The Stores had agreed

any further increase in the existing price to make good the Sales tax of Rs 6469-12-0 paid by the Stores will hit hard the consumers, the order in para 1 above may be given effect to after the Stores had completely recouped the losses on transport charges viz Rs 103954-2-3 and Rs 91644-12-0. The Bd of Rev(cs) is accordingly requested to issue clear and specific instructions to the collr of South Kanara and the S.K.C.C.W. Stores in the matter and Submit five copies of the instructions to the Govt.

3) The Bd is also requested to submit to the Govt monthly progress reports showing the collection and balance each month in regard to the recovery of the Sales tax amount in question and to see that the enhancement in the consumers price is discontinued as soon as the Sales tax amount of Rs 6469-12-0 is recovered by the Stores.

14/5

26/4/57

28/4/57

To

The Bd of Rev(CS)
Collr of S Kanara
R.C.S.
P.S., S.K.C.C. Stores. Mangalore
Finance
Secy.

3 Sk

C3 - Fwd A
M/3197

OFFICE OF THE BOARD OF REVENUE (CIVIL SUPPLIES) ...EPAUK, MADRAS.
SRI M. V. SUBRAMANIAN, I.C.S.,
Commissioner of Civil Supplies.

B. P. Rt. No. 786/51 (CS). Dated 28--5--1951. 38623

Sub:--Procurement - Paddy and rice - South Kanara district - Claim of the South Kanara Central Co-operative Wholesale Stores - Reimbursement of sales-tax on transport charges and on bonus surcharge by temporary enhancement in the issue price till the loss is recouped - Orders - Further instructions - Issued.

Read:--1. Board's Ref. No. 87744-U5/50-7 (CS) dated 16-4-51.
2. G.O. Ms. No. 899/Food and Agriculture dated 3-5-51.
3. G.O. Ms. No. 900, Food and Agriculture Department, dated 3--5--1951.

In the Board's reference cited instructions were issued to the Collector of South Kanara to allow the South Kanara Central Co-operative Wholesale Stores to recoup an amount of -- Rs.91,641-12-0 being the loss incurred by the Stores, towards transport charges in 1944-45 by an increase in the issue price of rice to consumers by 0-8-0 per maund (Re.0-8-0 per ~~maund~~).

In their order second cited (copy sent to the Collector direct) the Government have allowed the Stores, to recoup an amount of Rs.6469-12-6 (Rupees six thousand four hundred and sixty nine annas twelve and pies six only) being the sales-tax paid by it on transport charges during 1947-48 and during 1948-49 upto 30-6-49 by suitably increasing the consumer's price. They have ~~decided~~ that as any increase in the existing price will hit hard the consumers, the recoupment of this amount should be given effect to after the Stores had completely recouped the amounts already allowed to it. The Collector of South Kanara is requested to satisfy himself first that this amount had not been already collected by the Stores and then to issue specific instructions to the South Kanara Central Co-operative Wholesale Stores and allow the President of the Stores to continue the extra levy of Re.0-8-4 per ~~maund~~ till the amount of Rs.6469-12-6 is also completely recouped.

2. In their Order third cited (copy enclosed), the Government have further allowed the Stores to recoup a similar amount of Rs.25,694-13-8 (Rupees twenty ~~thousand six hundred and ninety four~~ five thousand six hundred and ninety four, annas thirteen and ~~pies~~ eight only) collected from the Stores as sales-tax on bonus surcharge and have ordered that this amount also may be recouped by the Stores after the Stores had completely recouped the amount of Rs.6469-12-6 referred to in para 1 above. The Collector of South Kanara is requested to allow the President, The South Kanara Central Co-operative Wholesale Stores to continue the increase in the consumer's price till the amount of Rs.25,694-13-8 is also recouped in full and to discontinue it immediately thereafter.

91641-12-0
6469-12-6
25694-13-8
123906-6-2
9141-8-0
114664-14-2

In effect, the extra levy of 8 annas per maund or 0-8-4 per mura ordered in the Board's reference cited should be continued till a total sum of Rs.1,14,664-14-2 in all is recouped by the Stores excluding the sum of Rs.9141-8-0 already collected out of Rs.91641-12-0 ordered to be recovered.

3. With reference to the instructions in para 1 and 2 above, the total amount to be recouped by the South Kanara Central Co-operative Wholesale Stores by continuing the increase in price is Rs.32,164-10-2. For purposes of watching the ~~recovering~~

p.t.o.

of this amount by the Stores, the Collector of South Kanara is requested to include these two amount also in the monthly progress report he is now submitting to the Board showing the demand, Collection and the balance for each month.

K.R.SRINIVASAN,
Assistant Secretary.

To

The Collector of South Kanara, Mangalore. (With enclosure).
Copy to the Secretary to the Government, Food and Agriculture Department, Fort St. George, Madras. (5 copies).
Copy to the Registrar of Co-operative Societies, Madras.
Copy to the Chief Accounts Officer.
Copy to UII, U6, A, G and Accounts. ~~to watch the progress reports~~.
Copy to file.
Spare copies.20.

Forwarded/By Order.

C.V.Rajagopalan 29/5/57
Superintendent.

B.R.28/5/

Food & Agri
A

Sub:- Procurement - Paddy and rice - South Kanara Dt - Claims of the S.K.C.C. Stores - Re-imbursement of Sales tax on transport charges collection - Proposal.

Ref (i) Govt. Memo No. 28160 A/50-1 FT dt 25.1.51.
(ii) From the Bd of Rev (S) Ref. 77015 05/49-1 S&D dt 20.5.51

To A.S.

The P.D.S., South Kanara Central Coop Wholesale Stores Ltd ~~represented in his letter on the subject~~ represented that Sales tax paid by the Stores on transport charges collection in 1947-48 and for the subsequent period upto 30.6.49 amounting to Rs. 64.69-12-6 should be re-imbursed to the Stores. In this case Sales tax has been collected by the Commercial Tax Dept. on transport charges, on the ground that this should be treated as part of the price. Mr. Shiva Rao, the P.D.S. of the Stores, during his interview with H.M. (Food) on 6.1.51 pointed out that the Stores did not collect Sales tax from the retailers or the general public as no such direction was issued by the Coll:. but that the Commercial Tax Dept. had recovered the taxes due under this item from the Stores. In as much as these are payable by the consumer, he said that the loss should be re-imbursed to the Co-op Stores either by adjustment from Govt. monies

with them or by an appropriate increase in the consumers' price. The Bd of Revenue was asked to offer its remarks on the suggestion of the P&T. of the Stores. The Bd has re-examined the case in consultation with the Commercial Tax Branch and has reported that the argument of the P&T deserves consideration in view of the fact that the sale price of foodgrains handled by the Stores, as fixed by the Govt., is inclusive of the Sales tax and that without a specific direction, the Stores could not collect a further Sales tax from retailers or consumers. ~~Further the Board stated that~~ In view of the fact that the S.K.C.C.W. Stores is the sole procuring agent and wholesaler in the State and in view of the fact that the Govt have already allowed another claim of the Stores for the recoupment of the loss on account of extra transport charges, the Bd recommends that the Sales tax paid by the Stores to Govt may be re-imbursed to them by suitably raising the consumers' price. In the circumstances stated by the Bd, it is for orders whether its recommendation to re-imburse to the Stores the Sales tax of Rs 6469-12-6 paid by them may be accepted. The Collector may also be asked to confirm if the stocks had not already ~~been~~ sold. The Board of Revenue & Finance may see for remarks before circulation.

ADDITIONAL ASST. SECRETARY TO GOVT.
27 MAR 1951
2 to 3 P.M.

Rs 15-3-51

15-3-51

27/3/51

27/3/51

S1 Rev / Fin

A

Comment.

FYA No. 1634 Fin

10/18 PWR Rev Dept (N)

Please see the note of F. & A. from page 1 ante. The proposal at A on page 2a may be accepted in this Dept and the file passed on to Finance.

27.3.51 28/3/51 30.3.51

Fin

Rev. U.O. 24031/N/51-1

ADDITIONAL DEPUTY SECRETARY 2518 31 MAR 1951 FIN.

Fin. (P.W.R.)

Please see the note of Food & Agri. on pp. 1-2 above.

Fin. may agree to the proposal at A on p. 2 above.

2.4.51 JJA

31.3.51 31.3.51

ASSISTANT SECRETARY 3 APL 1951 FOOD AND AGRICULTURE DEPARTMENT

U.O. 25181-P.W.R/51-1

2-4-51

23997

Food and Agriculture Department.

Note for circulation.

The President, South Kanara Central Co-operative Wholesale Stores Ltd. represented that salestax paid by the Stores on the amount of transport charges collected in 1947-48 and on the amount collected subsequently upto 30-6-49 amounting in all to Rs.6469-12-6 should be re-imbursed to the Stores. The President during his interview with Honourable Ministrer (Food) on 6-1-51 pointed out that the Stores did not collect salestax from the retailers or the general public, as no such direction was issued by the Collector but that the commercial Tax Department had recovered the taxes due under this item from the Stores. In as much as the salestax is payable by the consumer, he said that the loss should be reimbursed to the co-oper Stores either by adjustment from Government monies with them

B on p 1 cf

E on p 3 cf

them or by an appropriate increase in the consumer's price. The Board was asked to offer its remarks on the above suggestion of the President of the Stores. The Board has re-examined the case in consultation with the Commerical Tax Branch and and has reported that the argument of the President deserves consideration in view of the fact that the sale price of foodgrains handled by the Stores, as fixed by the Collector is inclusive of the salestax and that without a specific direction, the Stores could not collect a further salestax from the retailers or consumers. Further, as the S.K.C.C.W. Stores is the sole procuring agent and wholesaler in the District and as the Government have already allowed another claim of the Stores for the recoupment of the loss on account of extra transport charges, the Board recommends that the salestax of Rs,6469-12-6 paid by the Stores may be reimbursed to them by suitably raising the consumers' price. ~~The~~ The collector will be asked to ensure that the Stores has not already collected the salestax while reimbursing the amount. This Department propose to accept the Board's recommendation. Development and Finance have agreed with the views of the Department.

It may be stated in this connection that the Government have permitted the Stores to re-imburse a loss of Rs.1,02,359-12- plus salestax of Rs.1599-6-0 and another loss of Rs.91641-12-0 incurred by them towards transport charges by raising the wholesale issue price by 8 annas per mura of rice. The Stores have not yet recouped the losses. Any further increase in the existing price to make good the salestax amount of Rs.6469-12-6 paid by the Stores will hit hard the consumers and that this may be given effect to after the Stores had completely recouped the losses on tr charges viz.Rs.103959--2-3 and Rs.91641-12-0.

The file may be circulated to Honourable Minister, (Food), ~~Honourable Minister (Land Revenue), and Honourable Minister (Finance)~~ for approval of the proposals at 'P' & 'R' above.